



April 30, 2020

Richard Mittasch
Calais Resources Colorado, Inc.
P.O. Box 3395
Nederland, CO 80466

RE: Cross Gold Mine, Permit No. M-1977-410, Incomplete Application for Transfer of Permit and Succession of Operators, SO-02

Mr. Mittasch:

On April 27, 2020, the Division of Reclamation, Mining and Safety (Division) received the Application Form for Transfer of Mineral Permit and Succession of Operators from Calais Resources Colorado, Inc. to Grand Island Resources, Inc. for the Cross Gold Mine, Permit No. M-1977-410. The following items are incomplete for the application to be processed:

- 1) On Page 1 of the Application Form and on Pages 8-10 - Applicant's Agreement to Request Transfer of Mineral Permit and Succession of Operators, the Prospective Successor is written as "Grand Island Resources, Inc.". However, this company name is not registered with the Colorado Secretary of State (CSOS), as required. The company name written on the Performance Warranty "Grand Island Resources, LLC" is registered with the CSOS. Please revise the application to ensure the company name for the Prospective Successor is written exactly the same throughout the application. Additionally, please be sure the company name for the Prospective Successor is registered with the CSOS.
- 2) Throughout the application, Richard Mittasch signs for both the Permittee and the Prospective Successor. A review of the CSOS website shows the registered agent for Calais Resources Colorado, Inc. to be Thomas Scott Hendricks (now deceased), and the registered agent for Grand Island Resources, LLC to be Daniel NMI Takami. Because the signer, Richard Mittasch, is not listed as the registered agent for either of these companies, the Division must receive documentation giving the signer the legal authority to sign on behalf of each company. This documentation may be in the form of by-laws, resolution, affidavit signed by corporate secretary, certified secretary statement, or a notarized statement on company letterhead.
- 3) The application must include demonstration of the Prospective Successor's legal right to enter to conduct mining and reclamation, for all owners of record of the surface and mineral rights of the affected land. The application included a Quit Claim Deed made on August 31, 2017 by and between Calais Resources Colorado, Inc. ("Grantor") and Grand Island Resources, LLC ("Grantee") for the Cross Caribou Patented and Unpatented Claims. This document does not fully satisfy the right of entry requirements as it only authorizes the Prospective Successor for entry to the mineral rights of the affected lands. The Boulder County Assessor's Office website (see enclosed screen captures) shows the surface owners of the affected lands to include Aardvark Agencies, Inc. (for the Caribou Mine area), Grand Island Resources, LLC (for the Cross Mine area), and Mark Phillips (for the southern portion of the affected lands accessing the Cross Mine area). Please provide demonstration the Prospective Successor has the legal right to enter



to conduct mining and reclamation for all owners of record of the surface rights of the affected lands. This may include a copy of a lease, deed, abstract of title, a current tax receipt, or a signed statement by the landowner(s) and acknowledged by a Notary Public stating the Prospective Successor has the legal right to enter to conduct mining and reclamation.

- 4) The application must include copies of structure agreements made between the Prospective Successor and the owner(s) of any significant, valuable, and permanent man-made structure located on or within 200 feet of the affected lands. While the Division is aware of several such structures located on or within 200 feet of the affected lands (e.g., roads, powerline poles, buildings, parking lots, ponds, water pipelines, wells), no structure agreements were provided with the application. Please provide notarized agreements between the Prospective Successor and the owner(s) of any significant, valuable, and permanent man-made structure located on or within 200 feet of the affected lands (see enclosed sample structure agreement form). Where such a structure is a utility, you may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities will have “no negative effect” on their utility.

Additional Comments:

- 5) On Page 6, under Designation of Review Timeline, you selected Option 1, to waive your right to a decision on the application within 30 days. This means the Division will recalculate the required Financial Warranty for the site prior to issuing its decision on the application. Please be advised, the recalculated Financial Warranty amount may be significantly higher than the existing amount posted of \$31,500.00, and the additional required amount must be submitted as part of the application. If the operator had selected Option 2, only the current Financial Warranty amount (\$31,500.00) would need to be submitted by the Prospective Successor in order for the application to be approved, and the Financial Warranty would be reassessed after the Division has issued a decision on the application. Regardless of which option is selected, the review period for the application will not commence until all required items have been submitted for the application to be considered complete. The Division wanted to clarify the two review options available to ensure the desired option has been selected. Once the application has been called complete, the option chosen on Page 6 can no longer be revised.

Your application will not be considered complete until all deficiencies identified above have been addressed. Please submit all required completeness items by **May 30, 2020**.

If you have any questions, you may contact me by telephone at (303) 866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,



Amy Eschberger
Environmental Protection Specialist

Encls: (4) screen captures from Boulder County Assessor's Office website
Sample structure agreement form

Cc: Gabriel Benvenuti, DRMS
Michael Cunningham, DRMS

No Picture Available

Account Number: R0028076
Owner: AARDVARK AGENCIES INC
Mailing Address: P O BOX 653
City: NEDERLAND CO
Zip: 80466
Sec-Town-Range: 09 -1S -73
Subdivision: TR, NBR 920 ELDORA AREA
Market Area: 201

Parcel Number: 158309000013
Property Address: 4835 CARIBOU RD
Location: UNINCORPORATED
Jurisdiction: Unincorporated Boulder County
Legal Description: BRAZILIAN LD 13367-A 2.04 ACS BRAZILIAN MS 13367-B 3.23 ACS GRAND ISLAND TOTAL 5.27 ACS ID 28077 COMB HERE

Est. Parcel Area:

Square Feet: 216,508
Acres: 4.97



No Picture Available

Account Number: R0028235
Owner: AARDVARK AGENCIES INC
Mailing Address: P O BOX 653
City: NEDERLAND CO
Zip: 80460-0653
Sec-Town-Range: 09 -1S -73
Subdivision: MINING CLAIMS
Market Area: 902

Parcel Number: 158300200032
Property Address: 0 CARIBOU RD
Location: UNINCORPORATED
Jurisdiction: Unincorporated Boulder County
Legal Description: MONITOR LD 227 .88 AC NEW YORK LD 344A 5 AC
NEW YORK MS 344B 2.09 AC GRAND ISLAND TOTAL
7.97 AC IDS 28236-7 COMBINED HERE

Est. Parcel Area:

Square Feet: 294,957
Acres: 6.77



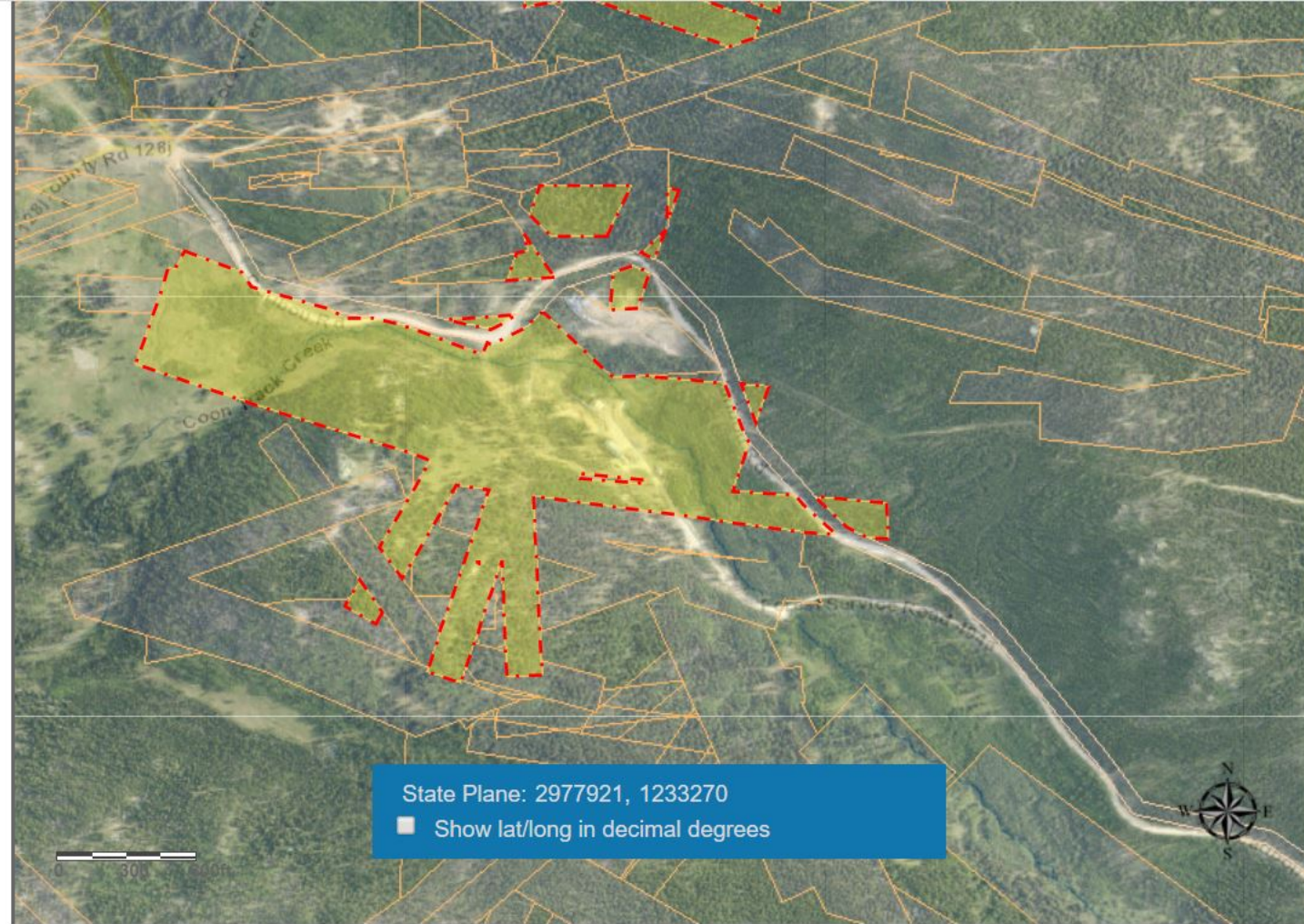
No Picture Available

Account Number: R0027385
Owner: GRAND ISLAND RESOURCES LLC
Mailing Address: PO BOX 653
City: NEDERLAND CO
Zip: 80466-0653
Sec-Town-Range: 09 -1S -73
Subdivision: MINING CLAIMS
Market Area: 902

Parcel Number: 158300200031
Property Address: 0 CARIBOU RD
Location: UNINCORPORATED
Jurisdiction: Unincorporated Boulder County
Legal Description: CROSS MS RARE METALS & RARE MTLs MS CROSS 2
CROSS SYNDI CATE MAMMOTH PROTECTION
ROMEO TACOMA RICO AMERICAN APEX GIMD JULIET
CROWN POINT 9-1S-73 IMP ON PLEASANT VALLEY LD
(UNPAT) 53.54 ACS #124936

Est. Parcel Area:

Square Feet: 2,507,587
Acres: 57.56



No Picture Available

Account Number: R0028465
Owner: PHILLIPS MARK
Mailing Address: 3060 W 58TH AVE
City: DENVER CO
Zip: 80221
Sec-Town-Range: 09 -1S -73
Subdivision: MINING CLAIMS
Market Area: 902

Parcel Number: 158309000014
Property Address: 0 CARIBOU RD
Location: UNINCORPORATED
Jurisdiction: Unincorporated Boulder County
Legal Description: LARAMIE COUNTY LD 2.7 ACS & HOMESTEAD LD 2.7
ACS BOTH 13471 GILPIN COUNTY LD 12933 4.37 ACS
GRAND ISLAND TOTAL 9.77 ACS IDS 28469 & 28476
COMBINED HERE

Est. Parcel Area:
Square Feet: 483,441
Acres: 11.10



An example Structure Agreement which meets the requirements of the Statutes is shown below.

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety (“Division”) requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

- a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have “no negative effect” on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20*)

The Colorado Mined Land Reclamation Board (“Board”) has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

(Please list additional structures on a separate page)

CERTIFICATION

The Applicant, _____ (print applicant/company name),
by _____ (print representative's name), as _____ (print
representative's title), does hereby certify that _____ (structure owner) shall
be compensated for any damage from the proposed mining operation to the above listed structure(s)
located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation
Permit Application for _____ (operation name),
File Number M-_____-_____.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEDGED BY:

Applicant _____ Representative Name _____

Date _____ Title _____

STATE OF _____)
) ss.

COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 20____, by _____ as _____ of _____.

Notary Public

My Commission Expires: _____

NOTARY FOR STRUCTURE OWNER

ACKNOWLEDGED BY:

Structure Owner _____ Name _____

Date _____ Title _____

STATE OF _____)
) ss.

COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 20____, by
_____ as _____ of _____.

Notary Public My Commission Expires: _____